



**UW-Milwaukee Chancellor Mark Mone's Statement on
Wisconsin's Proposed 2015-2017 Biennial Budget**

February 25, 2015

**Investing in the Future:
Value and Impact of the University of Wisconsin-Milwaukee**

Today, we see that states which have relatively prosperous economies, higher per-capita income, and healthy communities most often are those that have made sustained investments in education and the workforce. Indeed, it is hard to find a thriving metropolitan area without a research university at the center of its ecosystem. Consider high technology, high growth areas such as Austin, Texas, Boston's Route 128, and Silicon Valley, all of which stem directly from the role of higher education in providing the availability of talent and intellectual capabilities.

Even today in the heartland of the industrial Midwest, we see considerable state investments in higher education as an effective strategy to energize the economy. Ohio has invested in higher education for the last eight years (*Ohio's Third Frontier*: http://development.ohio.gov/bs_thirdfrontier/). Based on an over \$2 billion investment in partnerships with various entities including higher education, Ohio has found that the economic benefits have a payback of approximately 10:1, meaning that for every dollar invested, they have a return of \$10. Michigan is following suit—its proposed 2016 budget includes a 2 percent increase in state funding for universities, which comprises the largest ongoing funding increase in the budget. This would be the fourth consecutive year of investment in Michigan's public higher education system, which state leadership describes as "one of the keys to the future." Similarly, for the period of 2009-10 to 2014-15, we see greater state funding investments in higher education in Indiana, Iowa, and Minnesota. All of these states surround Wisconsin and offer great opportunities to attract away our population, work force, and businesses.

And yet today, the proposed budget for Wisconsin would take UWM, the UW-System, and the State of Wisconsin in the opposite direction—back to funding levels found in the 1990s. A disinvestment in Wisconsin's famed UW-System gravely threatens current and future generations of Wisconsin students, families, businesses, and communities. This State has benefitted for over a century from the *Wisconsin Idea*, our guiding value which holds that our research and teaching should benefit every Wisconsin child, family, and community.

So just what is at stake in this effort to balance the budget with an unprecedented cut to a remarkable education institution?

At UWM, the State's second largest public university, it's worth considering the role we play and the vital impact we have on the region. Our mission of research and student access serves the community well. We educate more Wisconsin residents than any institution with over

28,000 students today; UWM enrolls more transfer students than any other institution in the State; and UWM has more veteran students than any institution within a six state region in the Midwest. Every UWM graduate has had a strong education in the liberal arts that addresses lifelong critical thinking, oral and written communication, quantitative literacy, and complex problem-solving abilities. We educate Wisconsin's workforce, producing thousands of graduates each year: 5,609 in 2014. Indeed, 900 UWM alumni work at Northwestern Mutual, 850 at Rockwell Automation, and over 300 at Johnson Controls. Three-fourths of our 160,000 alumni remain in Wisconsin to live, work, and play. This is especially critical as Wisconsin, according to the Wisconsin Department of Workforce Development and the Metropolitan Milwaukee Association of Commerce, will have 100,000 new jobs to fill by 2023, with 41 percent of them requiring at least a college degree.

UWM's annual total economic impact on the local and regional economy is \$1.5 billion, with that economic activity directly and indirectly deriving from nearly 15,000 jobs. UWM boasts \$59 million in annual research expenditures, nearly 200 issued patents and patent applications (in nine years), 21 intellectual property licenses, 18 student/alumni businesses started from UWM programs, and 200 product ideas in three years via our Student Startup Challenge. We are engaged with the community through hundreds of partnerships with corporations, social service providers, healthcare providers, public and private schools, and colleges and universities. Our students work as interns, student teachers, and community volunteers—spending thousands of hours annually in the region. As one community leader and UWM alumnus states, “If UWM didn't exist, we would have to create it.”

In Milwaukee today, our College of Nursing educates and produces more nurses than any other school in the State and impacts the community with nursing students and faculty caring for patients and their families in over 180 locations in the county. Similarly, our School of Education student teachers and their supervisors can be found in over 170 different Wisconsin elementary, middle, and high schools across the public and private (charter and voucher) landscape. Each year our Peck School of the Arts students and faculty produce or host over 300 live theatre, music, dance, and other performance events on campus and in the community. Our School of Architecture and Urban Planning (the only one in the State) has graduates that represent the talent base and leadership of major architectural firms in Wisconsin and across the country—and the same can be said about the corresponding careers of graduates of the Lubar School of Business, College of Engineering and Applied Science, School of Freshwater Sciences (the only graduate program in Freshwater in the U.S.), Joseph J. Zilber School of Public Health, College of Letters and Science, Helen Bader School of Social Welfare, School of Information Studies, College of Health Sciences, and School of Continuing Education.

Beyond the sheer volume of talent due to our graduates and sizable alumni base, the impact of our partnerships in every sector is profound. Our partnership with Johnson Controls, for example, has led to major advances in lithium-ion energy storage and over \$30 million in federal research funds flowing into Wisconsin. UWM is partnering with GE Healthcare to build a pipeline of Wisconsin-based medical imaging software developers to drive the next generation of technology globally. These and emerging partnerships in urban studies, education, freshwater, innovation entrepreneurship, fermentation and brewing, public health, social welfare, and other areas across every school and college lead to greater health, enrichment, prosperity, and, overall,

regional vitality—if invested in and allowed to develop. As *Milwaukee Journal Sentinel* Editor David Haynes put it, “Name a problem, and UWM is working on it.” One need only consider the challenges in Milwaukee in which UWM can make a difference: achievement and income gaps, infant mortality, incarceration rates, joblessness, and poverty. These social issues threaten not just current and future generations in Southeast Wisconsin, but the health of the State as a whole as we can see from the role of major metropolitan centers in other states.

UWM faces its biggest challenge ever today: cuts that will irreparably harm our ability to contribute to regional and State growth. The proposed State budget would result in a \$300 million reduction in State aid to the University of Wisconsin System. UWM’s share of that cut is expected to be a \$20 million base cut, or \$40 million over two years. That is the biggest budget cut in our history. The reduction is accompanied by another two-year freeze on tuition, our largest source of revenue.

To understand the magnitude and impact of the planned cut, consider that UWM has taken a total of \$32 million in base cuts since fiscal year 2002 and, until this biennium, had never faced a two-year tuition freeze, let alone a four-year tuition freeze. Thus, this current proposed budget reduction is of a magnitude that will present unprecedented challenges to UWM. We already are one of the leanest research universities in the country as found in a 2010 report from the Goldwater Institute: UWM is the 12th lowest of 198 leading institutions of higher education in the United States in spending per student and in ratio of instructional, research and support service staff to student. We recognize that the fixed tuition rate is a positive for students and parents, but not if the education quality is compromised and the State misses critical opportunities to utilize the university to help create high value jobs in the private sector for those students when they graduate. Wisconsin could follow the example of Minnesota, which has also frozen tuition for public higher education, but will protect the quality of institutions by directing revenue surpluses toward higher education. If the proposed budget reductions are approved, it will undermine our capacity to serve students and support the important research work that benefits businesses and the communities throughout the region.

In addition to the proposed cuts in state funding, the current plan also calls for another two-year freeze on in-state undergraduate tuition, and for the UW-System to become a public authority. The public authority is expected to provide greater autonomy for the UW-System with flexibilities that would make the entire System more efficient in the long run. We are eager to hear more details about the public authority model, including the source of its funding stream. However, while the proposed budget cuts will be felt immediately, the proposed benefits of flexibility and autonomy will likely take years to realize. Further, the immediate and serious strain on personnel and resources resulting from the budget cut will make it significantly more challenging to best utilize any flexibilities, as key resources are directed for some time, likely years, to managing the urgency caused by the cuts rather than strategically positioning UWM to best utilize the flexibilities for future growth and prosperity. An example of a potential consequence based on UWM’s research funding tending to be tied to a cluster of faculty: if the 35 faculty who receive 74 percent of UWM’s \$59M research expenditures are targeted and recruited away by other universities during the transition, UWM will suffer a significant setback that could permanently alter its future, both financially and in its ability to meet its research mission.

I fervently support – and it is my strong hope – that the proposed Public Authority includes the current provisions from Chapter 36 State Statutes regarding shared governance for faculty, staff, and students, and maintains provisions for tenure and indefinite status for our employees. It is with engaged and active participation through such elements that we have built a strong foundation of inclusion and consensus. Shared governance also represents the very tenets of democracy underlying our nation.

Make no mistake. We are committed to dealing with any cuts that UWM receives in the most responsible ways we can. I have appointed a budget planning task force that will examine all aspects of the university's operations, to recommend ways that we can become even more efficient and effective. We will look comprehensively for ways to reduce costs while limiting the impact on our students. Still, the proposed cuts are so overwhelming, that I am asking for everyone to weigh in on this and engage with those in the community and government.

I encourage you to contact your legislators with a request to reduce the proposed cuts and to grant real flexibility, as well as your personalized message about your beliefs about the value of UWM. We also welcome your advice and support as we move forward together through this challenging time. Please know that I pledge that we will work hard with openness, fairness, ingenuity, and compassion to preserve the quality and affordability of education for our students and their families.

With your support and direction, UW-Milwaukee will remain strong. We are committed to our partnerships in the region for job growth, workforce development, community enrichment, and delivering a quality education that makes Wisconsin known for our ideals and values. We believe in and provide affordable and accessible higher education, the search for truth, and the *Wisconsin Idea*. The *Wisconsin Idea* contains our guiding values, including that our research should solve problems and improve health, quality of life, the environment, and agriculture for all citizens of the State. University of Wisconsin President Charles Van Hise in 1904 declared that he would "never be content until the beneficent influence of the university reaches every family in the State." Without the appropriate funding, the Wisconsin Idea will be relegated to the past at a time when it is needed more than ever before.

You can find information about how to connect with your legislator on our Panther Advocate web site (http://www4.uwm.edu/alumni/about/volunteer/panther_advocates/), including sample language that you can personalize with points that are meaningful to you. I also invite you to visit the UWM State Budget Planning web site, (<http://uwm.edu/budget/>), where you will find facts and resource documents describing UWM's accomplishments and contributions that you could weave into your communication with State legislators, as well as what we are doing to address the budget challenge.